



Painting by Janis Lang,
NRCS, Lincoln, Nebraska

Lewis & Clark 1804-1806

FISCAL YEAR 2004
USDA-RURAL DEVELOPMENT
NORTH DAKOTA ANNUAL REPORT

"This country has overcome a lot. We're moving forward with optimism and confidence, because we've got great people, and I'm proud to be the leader of such a strong nation."

George W. Bush
President of the United States

2004 USDA Rural Development investments in North Dakota include:

Single Family Housing

■ Section 502 Direct Loan Program	\$ 5,310,569
■ Section 502 Guaranteed Loan Program	\$ 13,169,570
■ Section 504 Housing Rehabilitation Program	
loans	\$ 149,259
grants	\$ 350,450
Empowerment Zone/REAP	
loans	\$ 42,317
grants	\$ 90,356
■ Empowerment Zone/REAP 502 Direct Program	\$ 141,124
<i>Total Single Family Housing Programs</i>	<i>\$ 19,253,645</i>

Multi-Family Housing

■ Section 521 Rental Assistance Payments	\$ 2,961,236
■ Section 515 Rural Rental Housing Program	\$ 1,388,000
■ Section 533 Housing Preservation Grants	\$ 142,720
<i>Total Multi-Family Housing Programs</i>	<i>\$ 4,491,956</i>

Community Facilities Programs

■ Community Facilities Direct Loans	\$ 2,377,000
■ Community Facilities Guaranteed Loans	\$ 435,000
■ Community Facilities Grant Program	\$ 709,318
■ Tribal College Grants	\$ 1,108,682
<i>Total Community Facilities Programs</i>	<i>\$ 4,630,000</i>

Utilities Programs

■ Water and Waste Direct Loan Program	\$ 6,897,845
■ Water and Waste Direct Grant Program	\$ 5,717,397
<i>Total Utilities Programs</i>	<i>\$ 12,615,242</i>

Business and Cooperative Programs

■ B&I Guaranteed Loan Program	\$ 34,631,430
■ Intermediary Relending Program	\$ 500,000
■ Rural Business Enterprise Grant Program	\$ 762,025
■ Rural Business Opportunity Grant Program	\$ 162,583
■ Rural Cooperative Development Grant Program	\$ 300,000
■ Rural Economic Development Grant Program	\$ 200,000
■ Rural Economic Development Loan Program	\$ 396,700
■ Renewable Energy/Energy Efficiency Grant Program	\$ 18,860
■ Value-Added Producer Grant Program	\$ 198,500
■ Distance Learning & Telemedicine Grant	\$ 395,747
<i>Total Business and Cooperative Programs</i>	<i>\$ 37,565,845</i>

Grand Total USDA Rural Development **\$ 78,556,688**

Committed to the future of rural communities.

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North Dakota Rural Development Team

Message from State Director Clare Carlson

This has been another great year for USDA Rural Development in North Dakota, and I am pleased to announce that in 2004 Rural Development provided more than \$78 million in loans and grants to help strengthen the economy of rural North Dakota and improve the quality of life for our rural residents. This figure doesn't include the \$34.9 million and the \$66.1 million delivered by Rural Development's rural utility program's electric and telecommunications departments, respectively.

Each year USDA Rural Development programs assist many North Dakota citizens with equity and financial assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Over the past four years, USDA Rural Development has shown its commitment to the future of rural North Dakota by delivering a record investment of over \$290 million in technical assistance and financial backing for rural businesses and cooperatives, and \$532.3 million in electric and telecommunications funding, working together to create quality jobs in rural areas.

We are grateful for the leadership and vision of President Bush and welcome Agriculture Secretary Mike Johanns. As a former Governor of Nebraska, he is familiar with the challenges faced by mid-western states like North Dakota. We appreciate the guidance of Acting Under Secretary Gil Gonzalez. Together we are implementing a bright future for rural America.

In closing, I'd like to thank every Rural Development employee for their perseverance, patience, and their sense of teamwork. Working together has allowed us to navigate through a year filled with many challenges, and I deeply appreciate their efforts. I also would like to express sincere thanks to our numerous partners for their support and commitment in helping rural communities share in the American dream.

This is what USDA Rural Development is all about!



CLARE CARLSON

State Director

Housing Programs \$28,375,601

A house is more than a roof over a family's head. It is the cornerstone to a family's ability to live near good jobs and to gain access to good schools, public services and community benefits. USDA Rural Development, through its housing program, is working to improve the quality of life for rural North Dakotans by ensuring that they have access to safe and well constructed affordable housing. Homeownership gives people pride, creates equity, builds stable communities and bolsters their commitment to their community.

Homeownership: Through the direct loan and guaranteed loan programs, USDA Rural Development has been able to make the dream of homeownership in rural North Dakota a reality for numerous families or individuals. During Fiscal Year 2004, the housing program staff assisted the dream of homeownership in rural North Dakota by processing **292** loans and loan guarantees. Our direct and guaranteed housing programs invested more than **\$18.6 million** in rural North Dakota.

Home Repairs: For very low income homeowners—especially senior citizens—who need essential repairs, access modification, weatherization, or to remove health and safety hazards, we offer one percent loans up to \$20,000 and can offer grants to elderly households based on income and need. This past year we helped **120** households and provided a total of **\$632,382** in loans and grants to North Dakotans in need. Participating in the program was an elderly disabled individual living in western North Dakota. The individual was eligible for a \$15,000 loan package which included a \$7,500 grant and a \$7,500 loan. The financial package provided for the construction of a new roof, new windows and an accessible shower and outside ramp. With these repairs, the individual was able to remain in his home and maintain his independence.

Section 8 Housing Voucher Program: The Section 8 Housing Voucher homeownership program's basic concept is instead of using voucher subsidy to help families or individuals with rent, the homeownership option allows a first-time homeowner to use the rent voucher to meet the monthly mortgage payment. Owning a home was made possible for one individual living in northeastern North Dakota. Being on a limited income and having a disability, this individual moved from a rented apartment to his own home. Through his local urban development housing authority, he learned about the Section 8 Housing Voucher Program, and through the partnership of three agencies and four programs, this individual became a homeowner in a small rural community near his place of employment.

Multi-Family Housing: A portfolio of 250 projects and 3,314 units throughout North Dakota received project-based rental assistance subsidies so that 2,159 families, or individuals, do not pay more than 30 percent of their income for housing costs. We are making every effort to expand this base of affordable units through our Section 515 loan program. In Fiscal Year 2004, Rural Development provided **\$1.388 million** for the rehabilitation of six apartment-type housing units for low-, very-low, and moderate-income households in rural North Dakota.

Rental Assistance Program: The Multi-Family Housing Program provides support to those rural communities and customers with the greatest need in rural North Dakota. Through the Rental Assistance Program, more than **\$2.961 million** is dispersed annually to project owners, on behalf of the tenants.

Community Facilities Loans, Grants and Loan Guarantees: \$4.63 million was awarded to 11 communities and non-profit organizations. The Rural Development housing staff administers the community facilities program in North Dakota. The funds helped finance a wide variety of community facilities including a fire truck, assisted living center, hospital/clinic, swimming pool, community buildings such as an entrepreneur center, science center, wellness center, and a community correction and treatment center. We are proud to have provided \$360,000 in pre development grants to critical health care units at the Linton Hospital, Jacobson Memorial and Ashley Medical Center. Under the Tribal College Community Facility Initiative Grant Program, two tribal colleges in North Dakota received \$1,108,682 along with \$224,318 in economic impact grant funds.

Utilities Programs \$12,615,242

Water and Environmental Programs (WEP) provide loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste, and storm drainage facilities in rural areas and cities and towns of 10,000 or less.

Water and Wastewater Loan and Grant programs: More than **\$11 million** in loans and grants were awarded to 18 communities to build, improve or expand public water and sewer facilities.

This included up-to-date and safe community water systems for—Dakota Rural Water District, North Valley Water District, North Central Rural Water Consortium, Standing Rock Sioux Tribe, All Seasons Water Users District, and the cities of Drake, New Town, Harvey, and Medina. Communities receiving new or expanded wastewater treatment facilities include the Trenton Indian Service Area and the city of Milnor.

Emergency Community Water Assistance Grant (ECWAG) program: Through the Emergency Community Water Assistance Grant program, Rural Development provided assistance to residents of rural areas that experienced a significant decline in quantity or quality of their drinking water. Communities receiving assistance include Three Affiliated Tribes, \$428,000; Standing Rock Sioux Tribe, \$457,000; and the cities of Langdon, \$500,000; Dunseith, \$150,000; and Garrison, \$68,500.

Business and Cooperative Programs \$37,565,845

USDA Rural Development's Business and Cooperative program delivers a variety of assistance to rural businesses and communities working in harmony with financial partnerships and local economic organizations—banks and lenders, local revolving loan funds, cities, counties, tribes, and cooperatives.

Guaranteed Loans: The B&I Guaranteed Loan Program had a good year in FY 2004 by guaranteeing nine projects for \$34.6 million, which calculates just under 600 percent of the initial state allocation for the program. Examples of projects include Osabrock Farmers Cooperative Elevator, BTR Farmers Co-op, O'Brien Seed, Inc., and Identity Ag Processing, LLC.

Intermediary Relending Program (IRP): A loan for \$500,000 was awarded to the Dakota Certified Development Corporation in Fargo, which includes service to the Griggs/Steele Empowerment Zone. Rural Development funds will be used to assist the Corporation in making low interest loans ranging from \$50,000 - \$150,000 to local businesses for business start-ups or business growth purposes.

Rural Business Enterprise Grant Program (RBEG): Rural Business Enterprise Grants (RBEG) are made to public bodies, private nonprofit corporations, and Federally recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises. In FY 2004, Rural Development awarded \$762,025 in grant assistance. Grants include \$114,000 to the Hazelton Development Corporation; \$54,210 to the city of McVile; \$98,000 to the Cavalier County Job Development Authority; and \$98,175 to North Dakota State University. We are pleased to again support North Dakota Prairie Public Broadcasting with \$400,000 in grants to continue its series on rural North Dakota.

Rural Business Opportunity Grant Program (RBOG): The purpose of the RBOG is to promote sustainable economic development in rural communities with exceptional needs. Eligible applicants must be a public body, non-profit corporation, Indian Tribe, or cooperative with members that are primarily rural residents. In Fiscal Year 2004, Rural Development awarded four grants totaling \$162,583. Grants include Prairie Works, Rural Economic Area Partnership, Market Place of Ideas, and Dakota Heartland.

Value-Added Producer Grants (VAPG): This program is designed to help independent agricultural producers enter into value-added activities. Value-added products are defined as a change in physical state or form of the product, or the production of a product in a manner that enhances its value. In North Dakota one grant totaling \$198,500 was awarded to AGP Grain.

Community Development

The Office of Community Development administers rural community development programs within USDA Rural Development. Each program and initiative promotes self-sustaining, long-term economic and community development in rural areas. The programs demonstrate how every rural community can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented at a grassroots level. The programs stress continued local involvement and decision-making which is supported by partnerships among private, public and nonprofit entities.

The Griggs/Steele Empowerment Zone, designated in 1998, consists of Steele and the eastern third of Griggs Counties. Its mission is to promote community and economic development, attract industry, and create jobs. Through their marketing efforts, they were successful in locating two large manufacturing plants to their area. In Fiscal Year 2004, they provided financial assistance to 21 new and expanding businesses for over \$1.7 million.

Committed to the future of rural communities, the Community Development staff works with the two REAP Zones and nine Champion Communities, to create economic opportunities to help stop the out-migration and the loss of jobs. Together communities deal with a wide range of problems and issues to include: out-migration, constraints in economic activity and growth, and declining employment. Since their designation as targeted communities, the Champion Communities leveraged financial resources totaling \$130,827,000 and the two REAP Zones \$176,740,630.

The Community Development staff continues to place great emphasis on partnerships with Tribal governments to engage the resources and commitments to carry out portions of their strategic plan. Some activities include business development on the Standing Rock Reservation; recruitment of businesses to the Spirit Lake Reservation; economic development training for Three Affiliated Tribes; and assistance with a funding application for Turtle Mountain Tribe with Northwest Area Foundation.

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